

State of Utah

Department of Natural Resources

ROBERT L. MORGAN Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 10, 2004

Michael Lee Chief Consolidated Mining Co. 1629 Locust Street Philadelphia, Pennsylvania 19103-6304

Subject: Second Notice - Delinquent Permit Fees, Further Mining is
Suspended - Enforcement Rules in Effect, Minerals Regulatory
Program

Dear Mr. Lee:

Our records indicate that we have not received your annual permit fee payment(s) for the 2004 fiscal year, which was due on or before July 30, 2004 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees suspends an operator's authorization to conduct exploration or mining operations until the permit fees have been received by this office. THEREFORE, YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS HEREBY SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED. Please note that the payment of permit fees is required until the site has been formally released by the division.

You have previously been informed that effective June 1, 2004, Inspection and Enforcement Rules were implemented in the Minerals Regulatory Program, per a 2002 Legislative mandate. Before fully enforcing the rule for non payment of permit fees at this time, the Division will allow you until August 31, 2004 to pay the delinquent permit fees. If the delinquent permit fees are not received before August 31, 2004, the Enforcement Rules will be imposed and you will be issued a Notice of Violation and a fine could be assessed. If you are found mining at your site before the fee is paid, another Notice of Violation would be issued and a fine will be imposed. Please be advised that fines are assessed for each separate violation.

We have enclosed a "Delinquency Notice" along with this letter. Please return the bottom portion with your fee payment to ensure the money is posted to



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the correct account. Operations may resume upon our receipt of the required fees. If you have already sent in your payment, please accept our thanks and disregard this notice.

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by August 31, 2004; 2) check the box, if the site is fully reclaimed and revegetated; thereby requesting a site inspection; or 3) contact us immediately.

If you have any questions regarding this letter, please contact me at (801) 538-5325 or Joelle Burns at 538-5291. Your <u>immediate</u> attention to this matter is imperative.

Sincerely,

Daron R. Haddock Permit Supervisor

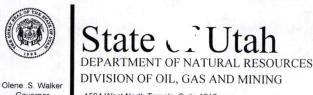
Minerals Regulatory Program

Haddock

DRH:jb

Enclosure: Delinquency Notice

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Olene .S. Walker Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

CHIEF CONSOLIDATED MINING CO 1629 LOCUST ST PHILADELPHIA PA 19103-6304

ATTENT	ON:	MICHA	AEL	LEE
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DELINQUENCY NOTICE Annual Permit Fees (July 2004 thru June 2005) **PROJECT NAME PROJECT ID ACRES BILLING DATE** CHIEF #2 MINE S230040 NA 06/29/2004 **PERMIT TYPE PROJECT STATUS ANNUAL FEE** SMALL MINING OPERATION < 5 ACRES RECLAIMED \$ 300

DUE DATE	AMOUNT DUE	
07/30/2004	\$ 300	

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

PROJECT NAME CHIEF #2 MINE		PROJECT ID
		S230040
FEE NOT ENCLOSED	Change of Address	
Permittee requests	Contact	
out this permit.		
	Address	
	F-mail address	SEAL TO
1594 WEST NORTH TEMPLE SUITE 1210 PO BOX 145801		
SALT LAKE CITY UT 84114-5801		
	CHIEF #2 MINE FEE NOT ENCLOSED Permittee requests an inspection to close out this permit. NING UITE 1210	CHIEF #2 MINE FEE NOT ENCLOSED Change of Contact

Please make check payable to:
Division of Oil, Gas and Mining